

**WORKFORCE SAFETY & INSURANCE**  
**INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2006**

	August-06				July-06				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		FYTD	FY06	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	6/30/2006	6/30/2006
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
Los Angeles Capital	16,875,205	1.4%	1.5%	2.18%	16,619,292	1.4%	1.5%	-3.69%	-1.59%	11.12%	N/A	N/A
<b>Total Structured Growth</b>	<b>16,875,205</b>	<b>1.4%</b>	<b>1.5%</b>	<b>2.18%</b>	<b>16,619,292</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-3.69%</b>	<b>-1.59%</b>	<b>11.12%</b>	<b>12.01%</b>	<b>-0.32%</b>
<i>Russell 1000 Growth</i>				3.12%				-1.90%	1.16%	6.12%	8.35%	-0.76%
<i>Structured Value</i>												
<b>LSV</b>	<b>18,845,532</b>	<b>1.5%</b>	<b>1.5%</b>	<b>0.96%</b>	<b>18,788,651</b>	<b>1.6%</b>	<b>1.5%</b>	<b>2.03%</b>	<b>3.00%</b>	<b>15.05%</b>	<b>21.14%</b>	<b>12.22%</b>
<i>Russell 1000 Value</i>				1.67%				2.43%	4.14%	12.10%	15.70%	6.89%
<i>Russell 1000 Enhanced Index</i>												
<b>LA Capital</b>	<b>33,833,082</b>	<b>2.8%</b>	<b>2.9%</b>	<b>2.07%</b>	<b>33,353,545</b>	<b>2.8%</b>	<b>2.9%</b>	<b>-1.08%</b>	<b>0.97%</b>	<b>11.58%</b>	<b>N/A</b>	<b>N/A</b>
<i>Russell 1000</i>				2.40%				0.22%	2.62%	9.08%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>												
<b>Westridge</b>	<b>40,626,467</b>	<b>3.3%</b>	<b>2.9%</b>	<b>2.41%</b>	<b>39,921,212</b>	<b>3.3%</b>	<b>2.9%</b>	<b>0.65%</b>	<b>3.07%</b>	<b>8.77%</b>	<b>N/A</b>	<b>N/A</b>
<i>S&amp;P 500</i>				2.38%				0.62%	3.01%	8.63%	N/A	N/A
<i>Index</i>												
State Street	12,549,745			2.06%	12,369,971			0.85%	2.93%	9.51%	11.47%	2.62%
<b>Total Index</b>	<b>12,549,745</b>	<b>1.0%</b>	<b>1.0%</b>	<b>2.06%</b>	<b>12,369,971</b>	<b>1.0%</b>	<b>1.0%</b>	<b>0.85%</b>	<b>2.93%</b>	<b>9.51%</b>	<b>11.47%</b>	<b>2.62%</b>
<i>S&amp;P 500</i>				2.38%				0.62%	3.01%	8.63%	11.22%	2.49%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>122,730,031</b>	<b>10.0%</b>	<b>9.8%</b>	<b>2.02%</b>	<b>121,052,671</b>	<b>10.0%</b>	<b>9.8%</b>	<b>-0.22%</b>	<b>1.79%</b>	<b>10.95%</b>	<b>13.63%</b>	<b>3.95%</b>
<i>S&amp;P 500</i>				2.38%				0.62%	3.01%	8.63%	11.22%	2.49%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
<b>SEI</b>	<b>36,826,539</b>	<b>3.0%</b>	<b>3.3%</b>	<b>2.34%</b>	<b>36,413,465</b>	<b>3.0%</b>	<b>3.3%</b>	<b>-3.55%</b>	<b>-1.29%</b>	<b>13.58%</b>	<b>18.20%</b>	<b>7.84%</b>
<i>Russell 2000 + 200bp</i>				3.13%				-3.09%	-0.06%	16.86%	21.06%	10.38%
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>36,826,539</b>	<b>3.0%</b>	<b>3.3%</b>	<b>2.34%</b>	<b>36,413,465</b>	<b>3.0%</b>	<b>3.3%</b>	<b>-3.55%</b>	<b>-1.29%</b>	<b>13.58%</b>	<b>18.20%</b>	<b>7.86%</b>
<i>Russell 2000</i>				2.96%				-3.25%	-0.39%	14.58%	18.70%	8.50%
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Active</i>												
Capital Guardian	38,970,538	3.2%	3.2%	3.54%	37,830,259	3.1%	3.2%	0.77%	4.34%	28.07%	20.99%	6.90%
LSV	37,571,693	3.1%	3.2%	3.02%	36,669,987	3.0%	3.2%	1.24%	4.29%	27.09%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>76,542,231</b>	<b>6.2%</b>	<b>6.4%</b>	<b>3.28%</b>	<b>74,500,247</b>	<b>6.2%</b>	<b>6.4%</b>	<b>1.00%</b>	<b>4.31%</b>	<b>27.66%</b>	<b>21.92%</b>	<b>12.63%</b>
<i>MSCI EAFE - 50% Hedged</i>				2.93%				0.98%	3.94%	26.72%	22.56%	6.89%
<i>Small Cap - Value</i>												
<b>Lazard</b>	<b>9,081,210</b>	<b>0.7%</b>	<b>0.8%</b>	<b>2.80%</b>	<b>8,871,078</b>	<b>0.7%</b>	<b>0.8%</b>	<b>-2.41%</b>	<b>0.32%</b>	<b>23.65%</b>	<b>28.06%</b>	<b>N/A</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				2.90%				-2.02%	0.82%	29.28%	32.40%	N/A
<i>Small Cap - Growth</i>												
<b>Vanguard</b>	<b>9,239,028</b>	<b>0.8%</b>	<b>0.8%</b>	<b>2.36%</b>	<b>9,066,265</b>	<b>0.7%</b>	<b>0.8%</b>	<b>-0.50%</b>	<b>1.85%</b>	<b>29.24%</b>	<b>32.39%</b>	<b>N/A</b>
<i>Citigroup Broad Market Index &lt; \$2BN</i>				2.90%				-2.02%	0.82%	29.28%	32.40%	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>94,862,468</b>	<b>7.7%</b>	<b>8.0%</b>	<b>3.15%</b>	<b>92,437,589</b>	<b>7.6%</b>	<b>8.0%</b>	<b>0.51%</b>	<b>3.68%</b>	<b>27.35%</b>	<b>23.83%</b>	<b>8.67%</b>
<i>MSCI EAFE - 50% Hedged</i>				2.93%				0.98%	3.94%	26.72%	22.56%	6.89%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
<b>Western Asset</b>	<b>214,636,370</b>	<b>17.5%</b>	<b>16.7%</b>	<b>1.76%</b>	<b>211,362,911</b>	<b>17.5%</b>	<b>16.7%</b>	<b>1.65%</b>	<b>3.45%</b>	<b>-0.90%</b>	<b>7.36%</b>	<b>8.59%</b>
<i>Lehman Aggregate</i>				1.53%				1.35%	2.90%	-0.81%	2.05%	4.97%
<i>Core Plus/Enhanced</i>												
Clifton Group	48,884,118	4.0%	5.6%	1.43%	48,276,452	4.0%	5.6%	N/A	N/A	N/A	N/A	N/A
Prudential	48,383,346	3.9%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>97,267,463</b>	<b>7.9%</b>	<b>5.6%</b>	<b>1.43%</b>	<b>48,276,452</b>	<b>4.0%</b>	<b>5.6%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Aggregate</i>				1.53%				1.35%				
<i>Index</i>												
Bank of ND	93,361,448	7.6%	11.1%	1.04%	140,073,891	11.6%	11.1%	1.08%	2.14%	-1.14%	1.14%	4.90%
Bank of ND CD'S	2,280,226	0.2%	0.2%	0.44%	2,270,125	0.2%	0.2%	0.45%	N/A	N/A	N/A	N/A
<b>Total Index</b>	<b>95,641,674</b>	<b>7.8%</b>	<b>16.7%</b>	<b>1.04%</b>	<b>142,344,015</b>	<b>11.8%</b>	<b>16.7%</b>	<b>1.08%</b>	<b>2.14%</b>	<b>-1.02%</b>	<b>1.09%</b>	<b>4.62%</b>
<i>Lehman Gov/Credit (1)</i>				1.58%				1.30%	2.90%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>												
<b>Wells Capital (formerly Strong)</b>	<b>214,248,959</b>	<b>17.4%</b>	<b>16.7%</b>	<b>1.95%</b>	<b>210,666,568</b>	<b>17.4%</b>	<b>16.7%</b>	<b>1.51%</b>	<b>3.49%</b>	<b>-2.11%</b>	<b>2.63%</b>	<b>N/A</b>
<i>Lehman US Credit BAA</i>				2.02%				1.58%	3.63%	-2.37%	2.63%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>621,794,467</b>	<b>50.6%</b>	<b>50.0%</b>	<b>1.63%</b>	<b>612,649,946</b>	<b>50.6%</b>	<b>50.0%</b>	<b>1.43%</b>	<b>3.08%</b>	<b>-1.35%</b>	<b>2.25%</b>	<b>5.52%</b>
<i>Lehman Aggregate (2)</i>				1.53%				1.35%	2.90%	-0.81%	1.84%	5.28%
<b>TREASURY INFLATION PROTECTED SECURITIES (TIPS)</b>												
Northern Trust Global Investments	136,852,128	11.1%	11.0%	1.73%	136,043,225	11.2%	11.0%	1.60%	3.35%	-1.53%	N/A	N/A
Western	137,081,797	11.2%	11.0%	1.89%	134,464,000	11.1%	11.0%	1.56%	3.48%	-1.94%	N/A	N/A
<b>TOTAL TIPS</b>	<b>273,933,925</b>	<b>22.3%</b>	<b>22.0%</b>	<b>1.81%</b>	<b>270,507,225</b>	<b>22.3%</b>	<b>22.0%</b>	<b>1.58%</b>	<b>3.41%</b>	<b>-1.74%</b>	<b>N/A</b>	<b>N/A</b>
<i>LB US TIPS Index</i>				1.73%				1.63%	3.39%	-1.64%	N/A	N/A
<b>REAL ESTATE</b>												
<b>JP Morgan</b>	<b>75,238,370</b>	<b>6.1%</b>	<b>6.0%</b>	<b>0.45%</b>	<b>74,751,794</b>	<b>6.2%</b>	<b>6.0%</b>	<b>-0.10%</b>	<b>0.34%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>NCREIF Total Index</i>				1.32%				1.32%	2.66%	18.23%	N/A	N/A
<b>CASH EQUIVALENTS</b>												
<b>Bank of ND</b>	<b>3,773,497</b>	<b>0.3%</b>	<b>1.0%</b>	<b>0.45%</b>	<b>2,871,090</b>	<b>0.2%</b>	<b>1.0%</b>	<b>0.45%</b>	<b>0.90%</b>	<b>4.50%</b>	<b>2.71%</b>	<b>2.42%</b>
<i>90 Day T-Bill</i>				0.44%				0.42%	0.87%	4.00%	2.37%	2.25%
<b>TOTAL WSI</b>	<b>1,229,159,296</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.77%</b>	<b>1,210,683,781</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.97%</b>	<b>2.76%</b>	<b>3.45%</b>	<b>6.76%</b>	<b>5.44%</b>
<i>POLICY TARGET BENCHMARK</i>				1.79%				1.15%	2.96%	3.63%	6.36%	5.48%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.